

**REMARKS**

This Amendment is made in response to the Office Action dated March 23, 2006. A Request for Extension of Time is enclosed herewith to permit the filing of this Amendment in the third month. Applicants will respond by paragraph number to the various rejections and objections as posed in the March 23, 2006 Office Action.

Responding to paragraph 3 of the March 23, 2006 Office Action, applicants express their appreciation to the Examiner for withdrawing the objection to Claim 14 as set out in the fourth paragraph of the July 20, 2005 Office Action.

Responding to paragraph 5 of the outstanding March 23, 2006 Office Action, applicants respectfully traverse and request reconsideration of the rejection of claims 1, 8, 14, 15, 18, 20, 22, 23, and 25-37 as being anticipated under 35 U.S.C. Section 102(b) over U.S. Patent No. 6,594,640 of Postrel ("Postrel"). This anticipation rejection as set out in paragraph 5 of the outstanding Office Action is substantially identical to that rejection set out in paragraph 6 of the Office Action dated July 20, 2005. The undersigned has fully replied to this rejection in his Amendment filed January 10, 2006 by his arguments appearing at page 9, line 11 to page 10, line 10 thereof. In the Office Action of July 20, 2005, the Examiner sets out his "Response to Arguments" at paragraph 7 of page 8. The undersigned has fully responded to this Examiner's Response by his argument appearing at page 10, line 11 to page 11, line 19 of Applicants' Office Action dated January 10, 2006.

In paragraph 6 beginning at page 10, line 7 of the March 23, 2006 Office Action, the Examiner provides his further "Response to Arguments." In the following, the undersigned

will respond in detail to the Examiner's further Response. First, the Examiner asserts that "the use of first and second loyalty programs of different values as well as system wide credits" are disclosed in Postrel. In particular, the Examiner states that,

(t)he abstract of the Postrel patent indicates that "a user earns reward points from a plurality of independent points issuing entities". This is the first indication in the teachings of Postrel that there are "first and second loyalty programs of different values. Since these reward point issuing entities are all independent, they develop their own reward point systems and as a result the reward points in each independent entity will have different values." See page 10 of the March 23, 2006 Office Action.

Applicants respectfully assert that whether the issuing entities are independent or not, would not teach one skilled in the art the use of first and second loyalty programs of different values. Applicants respectfully assert that the Examiner has merely stated his conclusion that Postrel teaches the first and second loyalty programs of different values. Further, the Examiner has failed to identify where in the four corners of Postrel there is a particular disclosure of first and second loyalty points of different value, much less any explanation as to why the programs would be of different values. If the Examiner persists that the first and second loyalty programs are of different values, he is requested to identify by column and line of Postrel, where these words may be found.

Further, Applicants respectfully traverse and request reconsideration of the following statement of the Examiner:

In regards to the assertion that there is no disclosure of systemwide credits in the teaching of Postrel, the abstract in combination with Fig. 5 directly teach such subject matter.

In particular, a study of the complete specification and drawings of Postrel does not mention “systemwide credits”, much less disclose how such credits are used in the context of applicants’ system.

Further, according to the Examiner:

Postrel states in the abstract that “On selective request by the user, a trading server accumulates some or all of the user’s earned reward points from the reward servers and credits the accumulated points into a single reward exchange account associated with the user” and Fig. 5 discloses that the system uses both “Merchant Conversion Rates” and “Reward Server Conversion Rates”. Therefore, someone who merely reads the abstract and glances at the figures provided in the teachings of Postrel would understand that there are a plurality of different loyalty programs that each operate independently.

First, neither the cited portion of the Abstract as cited by the Examiner, nor the entire specification and drawings of Postrel specifically mentions “system wide credits.” In particular, Postrel fails to disclose how such credits are determined, much less used to redeem awards as taught by applicants. The Examiner states that Postrel’s system uses both of the “Merchant Conversion Rates” and “Reward Server Conversion Rates.” These rates are only shown in Fig. 5 and are not further described by Postrel. Neither Postrel nor the Examiner have explained how these rates are calculated or used in connection with system-wide credits. The undersigned respectfully asserts that Fig. 5 and the Abstract of Postrel (or the remainder of the Postrel patent) do not disclose the conversion of loyalty points into system wide credits. It is apparent that the Examiner has merely used hindsight to find these teachings in applicants’ application. Postrel is silent as to the relation of “Merchants Conversion Rates” to system wide credits and requests the Examiner’s clarification.

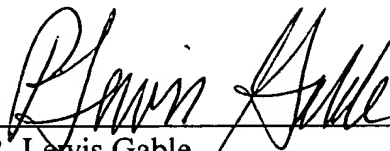
Further, the Examiner states that “they (apparently those skilled in the art) would learn that the points earned in each of these independent loyalty programs could be converted into system wide credits that can be later converted into loyalty points specific to any participating program.” Applicants strongly but respectfully assert that the mere existence of independent loyalty point programs teaches that points could be converted into systemwide credits. Finally, the undersigned respectfully questions the pertinence to Applicants’ invention of converting system wide credits “into loyalty points specific to any participating program.” The Examiner’s clarification is requested.

In view of the above discussion, applicants respectfully assert that all of the claims now presented by this application are in condition for allowance, which action is respectfully requested. If the Examiner is unable to allow this application, he is requested to place a telephone call to the undersigned to suggest those changes whereby this Application may be speedily prosecuted to issuance.

In view of the above discussion, Applicant respectfully asserts that all of the claims now presented in this application are in condition for allowance, which action is respectfully requested. If the Examiner is unable to allow this application, he is requested.

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Respectfully submitted,

A handwritten signature in dark ink, appearing to read "R. Lewis Gable", is written over a horizontal line.

R. Lewis Gable

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